

■ A

Active Retail	It is used as a general term for Retail properties with tenants whose rent fluctuates based on sales. The active Retail properties owned by Fukuoka REIT Corporation include Canal City Hakata, Park Place Oita, Sunlive City Kokura, and Konoha Mall Hashimoto. These properties are important facilities that contribute to the revitalization of the local economy. (⇒Passive Retail: It is used as a general term for Retail properties with tenants whose rent are fixed.)
ADR (Average Daily Rate)	An indicator referring to the average selling price per room. [Calculation method]ADR: Total accommodation - category sales over a certain period of time / the total number of rooms sold over the same period.
Appraisal value	Refers to the value assessed by a professional real estate appraiser for properties such as land and buildings.
Asset Management (AM) Company	A company that is entrusted by an investment corporation to manage its assets. Fukuoka Realty Co., Ltd. is the asset management company of Fukuoka REIT Corporation.
Asset Type	Refers to the type of properties such as Retail properties and office buildings. As a diversified REIT, Fukuoka REIT Corporation owns various asset types such as Retail properties, office buildings, logistics facilities, residences, and hotels.

■ B

Book Value of Real Estate	Refers to the value of real estate on the balance sheet.
Book Value per Share (BPS)	This shows net assets per investment unit and is viewed as an indicator for stability. [Calculation method] BPS: Net assets / Total number of investment units issued
Borrowing capacity	Indicates how much additional borrowing Fukuoka REIT Corporation can undertake when LTV is raised to a certain level. It also indicates the extent to which Fukuoka REIT Corporation can raise additional funds through borrowing. It is an important indicator for maintaining conservative financial management by keeping LTV below a certain limit.
Buyback (Purchase of Treasury Stock)	Refers to an investment corporation buying back its own investment units. There is an advantage of buying back issued investment units from the market to enhance the value per unit. In the August 2025 fiscal period, Fukuoka REIT Corporation conducted its first buyback.

■ C

Cap rate	Refers to capitalization rate or expected yield. It is the yield used to calculate real estate prices from net real estate income.
CAPEX (Capital Expenditure)	An abbreviation for Capital Expenditure, synonymous with capital spending. Capital Expenditure refers to the amount spent on repairs and improvements of fixed assets that is recognized as enhancing the value or increasing the durability of the fixed asset.
Capital Allocation	Deciding how much of the funds entrusted by investors, or raised through borrowing and capital enhancement, to allocate to each use. Ultimately aims to enhance investor value (such as increasing dividends). In the August 2025 fiscal period, Fukuoka REIT Corporation implemented capital allocation measures to enhance investor value in the medium to long term, such as acquiring its own investment units and investing in property growth through the renovation of the Canal City Hakata Grand Building B1 dining zone (zone name: KUOHKA).
Capital Cost	Refers to the cost associated with raising funds. Includes interest payments on borrowings and dividend payments.
Capital increase through public offering	Issuing new investment units and selling them widely to investors through securities companies to raise funds for property acquisition, loan repayment, etc.
Commitment line	This refers to the upper loan limit a borrower can receive at any time without going through a defined review, within a range agreed upon in advance with the bank. Commitment in this case indicates a contracted promise. The borrower can secure stable working capital regardless of business conditions.
Conflicts of interest	In general, this refers to when an act is in one's own interest, while at the same time disadvantageous to the interests of another. For a J-REIT, this often refers to a conflict between a unitholder and the interests of the Investment Corporation or the Asset Management Company

■ D

DCF (Discounted Cash Flow) method	One of the real estate appraisal methods. It calculates the theoretical value of real estate by converting the net income obtained from the property over a certain period into present value, and assuming the property is sold after that period, converting the theoretical sale price into present value and summing them up. [Calculation method] $\text{Present Value (PV)} = \text{future cash flow} \div (1 + \text{discount rate})^n$
Direct capitalization method	One of the methods for real estate appraisal. [Calculation method] $\text{net income obtainable from real estate over a certain period} \div \text{fixed capitalization rate}$
Dividend-discount model(DDM)	The sum of the present value of the expected per unit dividend for each period, discounted at the yield required by investors (expected return rate), is considered the current fair stock price, and this value is compared with the actual stock price to determine whether it is overvalued or undervalued.
Downtime	Refers to the period from the end of the previous tenant's contract to the start of the new tenant's contract, representing a vacancy period in the lease agreement.
DPU (Dividend Per Unit)	Refers to the dividend per unit.

■ E

Engineering reports	Reports outlining the results of a physical survey of a property. These often include surveys on building conditions, soil contamination, long-term repair and refurbishing costs, and earthquake risk.
EPU (Earnings Per Unit)	An abbreviation of Earnings per unit. This shows net profit per unit and is viewed as an indicator of a company's ability to generate earnings. [Calculation method] EPU: Net profit / Total number of units issued
Equity finance	Refers to a listed investment corporation issuing new investment units to raise funds from investors.
Expected Growth Rate	For a REIT, it is important to own properties with expected growth to distribute rental income and sales gains to investors. A REIT with a high expected growth rate is evidence of efficiently managing high-quality properties, and it is judged to be capable of generating stable long-term income.
External growth	In the J-REIT industry, it refers to expanding asset size and enhancing investor value by acquiring new properties. Recently, Fukuoka REIT Corporation made its first investment through SPC in properties (rental apartments) in Nagasaki Prefecture.

■ F

FFO (Funds From Operations)	An abbreviation of Funds from Operations. This shows how much cash flow is generated from rental income. The larger the FFO per unit, the greater the company's profitability. [Calculation method] FFO: Net profit + Depreciation and amortization expenses + Impairment loss – Gains/losses from the sale of real estate FFO per unit: FFO / Total number of units issued
Fixed Rent (Base Rent)	Refers to a rent amount that remains constant for a predetermined period. Mainly adopted in contracts for office buildings, logistics facilities, and residences.
Free Rent	In a lease agreement, it refers to a contract where rent is free for a certain period after the usual rent-incurring move-in date.

■ G

Gains on sales	Refers to the profit obtained from transferring owned real estate.
Green Finance	Green finance refers to financing focused on the efforts of companies and organizations in environmental sectors such as climate change, global warming countermeasures, and renewable energy, including loans (green loans) and bonds (green bonds).

■ I

Implied Cap Rate	Refers to the expected yield required by investors, calculated based on stock prices. [Calculation method] annual NOI ÷ (market capitalization + net interest-bearing debt + security deposits), and in J-REITs, this figure may be used as a benchmark (hurdle rate) when acquiring properties.
Internal growth	Refers to improving the profitability and asset value of owned properties by increasing rent per unit, occupancy rates, or reducing costs such as management fees, thereby simultaneously enhancing investor value.
Internal reserves	A company saves a portion of its profits to prepare for future investments and risks.
Investment corporation bonds	These are bonds issued by investment corporations in accordance with the Act on Investment Trusts and Investment Corporations and are equivalent to corporate bonds. Investment corporation bonds are issued to secure financing, with funds used to acquire real estate, undertake repairs on existing buildings, repay borrowings, and fund reimbursements.

■ L

Leasing	Refers to the act of finding and attracting new residents or tenants to fill vacancies.
Leverage effect	A mechanism to gain larger profits using borrowings.
LTV (Loan To Value)	An abbreviation for Loan to Value and an indicator of a company's borrowing ratio as well as a measure of stability in borrowing. The lower the value, the greater the degree of safety against redemption of debt. [Calculation method] LTV (%): (Interest-bearing debt / Total assets) × 100

■ N

NAV (Net Asset Value)	An abbreviation for Net Asset Value at an investment trust. Net assets are defined as total investment trust balance sheet assets minus liabilities, with the base price based on the number of units. For REITs, the term net assets refers to net assets plus unrealized gains or losses reflecting the difference between the book value of the property owned and the appraised value. [Calculation method] NAV: Net assets + Unrealized gains or losses – Dividends
NOI (Net Operating Income)	An abbreviation for Net Operating Income. This reflects net income stemming from the real estate leasing and REIT business, deducting expenses such as administrative costs and property taxes from rents in a given fiscal period. Costs not related to cash expenditures, including depreciation, interest paid on borrowings, or taxes, are not deducted. This is used to assess real estate and REIT asset value and is similar to EBITDA, which focuses on operating cash flow in assessing corporate value. When determining the theoretical real estate property price, it is a common practice to divide NOI by the capitalization yield (cap rate).
NOI (Net Operating Income) yield	Refers to the figure obtained by dividing the annual NOI by the real estate property price, indicating the annual income ratio to the real estate property price.
Non-recourse loan	A lending method where loans are made based on the amount calculated from the income-generating ability (cash flow) of the responsible property, limiting repayment responsibility within that range. Since loans are made backed by the income-generating ability of the responsible property, this method does not demand repayment beyond the disposal of that responsible property if repayment becomes impossible.
Normalized operation dividend	Refers to dividends excluding special factors. Fukuoka REIT Corporation uses it as an indicator for future dividend targets.

■ O

Occupancy rate	Refers to the ratio of actual leased area to leasable area. The higher the operating rate, the more stable rental income can be expected.
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■ P

P/NAV	The value obtained by dividing the investment unit price by the NAV per unit. An indicator showing the undervaluation of the investment unit price, equivalent to PBR in stock investment.
Pipeline property	Refers to properties that Fukuoka REIT Corporation may acquire in the future, mainly those being developed or planned by its sponsor, Fukuoka Jisho.
Pipeline support agreement	Pipeline support agreements refer to contracts that provide the opportunity to acquire a property from a sponsor in advance of and in priority to a third party
PML (Probable Maximum Loss)	Refers to the probable maximum loss as a percentage of the expected maximum damage caused by an earthquake. The higher the PML value, the higher the building's seismic risk. [Calculation method] PML = Expected maximum damage / Replacement cost
Portfolio	Refers to all properties owned by Fukuoka REIT Corporation.
Post-Depreciation NOI Yield	An indicator showing the profitability of real estate. In J-REITs, there are few investment corporations that distribute depreciation expenses as excess profit dividend, so this indicator may be emphasized. Post-depreciation NOI is calculated as NOI minus depreciation expenses, effectively representing rental business profit.
Preferential Negotiation Right	It is the right to negotiate exclusively and preferentially for a certain period ahead of other candidates when acquiring a property. It is merely a right and does not guarantee acquisition.
Property Management (PM) Company	Refers to a company that performs tasks such as tenant leasing, budget management, tenant management, building repair management, and management of building management (BM) companies. Fukuoka Jisho Co., Ltd., FJ Entertainment Works Co., Ltd., Miyoshi Asset Management Co., Ltd., and Daio Co., Ltd. are examples of PM companies for Fukuoka REIT Corporation.

■ R

Rating	An indicator where external rating agencies evaluate a REIT's debt repayment ability and express it in numbers or ranks. A REIT with a high rating is evaluated as a REIT that investors can lend money to with confidence. Additionally, ratings are conducted by agencies such as JCR, R&I, and S&P, and are used in the selection and investment decision of REITs. A REIT's rating is an important indicator for investors' investment decisions, and the higher the rating, the lower the risk of default.
Real Estate Market Value	Refers to the appraised value of real estate at that point in time.
Refinance	Refers to the refinancing of loans.
Rent (Positive/Negative) Gap	The difference between the current tenant's contract rent and the market rent is called the rent gap. A positive rent gap refers to a situation where the contract rent is lower than the market rent, while a negative rent gap refers to a situation where the contract rent is higher than the market rent.
Rent roll	Refers to a list of rental conditions, which includes various formats such as tenant room numbers, room types, area, rent, common service fees, deposit payment status, and contract periods.
Repair and maintenance expenses	Refers to the amount spent on repairs and improvements of fixed assets that is recognized as necessary for the regular maintenance of the fixed asset or to restore a damaged fixed asset to its original state.
Reserve for accelerated depreciation	Funds set aside gradually in each period for future repairs and equipment replacement.
RevPAR (Revenue Per Available Room)	An indicator representing the average income per room in a hotel.

■ S

Silent Partnership Equity Interests	A scheme whereby investing in an operator (SPC), one can receive a portion of the income and losses generated by the real estate. Widely used in real estate development, it is characterized by the ease of creating schemes for each project. Fukuoka REIT Corporation has made several investments in silent partnerships. Recently, in November 2025, it invested in two rental apartment buildings in Nagasaki Prefecture.
SPC (Special Purpose Company)	Refers to a company established for a specific purpose. Widely used in fields such as financial transactions, real estate investment, and project management. Fukuoka REIT Corporation participated in an SPC called FRC2 in November 2025, making anonymous partnership investments in two rental apartment buildings in Nagasaki Prefecture.
Sustainable Finance	A collective term for various investment and financing methods that emphasize not only the E (Environment) of ESG but also the S (Social) and G (Governance), as well as the financial systems that support them.

■ T

Trust beneficiary rights	Refers to the right to receive profits generated by trust assets.
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■ U

Unrealized P/L.	Refers to the difference between the market value (appraisal value) of real estate owned by an investment corporation and its book value; if the market value exceeds the book value, the difference is called "unrealized gain," and if it is lower, "unrealized loss." The appraisal value of real estate fluctuates according to changes in the real estate market environment.
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■ V

Variable Rent (Floating Rent)	Refers to rent that changes depending on circumstances (mainly sales). It is a rent type commonly adopted in retail properties and hotels. ⇔ fixed rent
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